

**“Final Report”**  
**Engage Gwinnett Recommendations Status – Internal Services**

Service Area	Status Quo, Declining Tax Digest, or General	Recommendation	Status	Actions Taken	Budget Impact
	Status Quo	We are very concerned about how much additional work the Internal Services departments can handle without serious threat to their abilities to function. Therefore, we recommend that proposed changes in the funding and operations of Internal Services departments be subject to an intense review and analysis process. All possible consequences should be fully investigated, and projected benefits should be carefully balanced with the risks associated with the proposed changes.	Complete	<p>This recommendation has been implemented with great care, incorporating multiple perspectives when changes have been considered. As part of the 2011 and 2012 business planning and budget process, internal services departments had the opportunity to review the plans and budgets of all other departments, agencies, and offices to assess any potential impact to the services each department provides to them and adjust their plans accordingly.</p> <p>In addition, Finance, Human Resources, Information Technology, and Support Services have taken advantage of greater opportunities to work together, further maximizing existing resources.</p>	No budget impacts at this time.
	Status Quo	In fact, we believe that the Internal Services areas may have been cut to a point at which their ability to support the rest of County government may be in jeopardy. Accordingly, we recommend that the County closely examine the potential shortfalls in service which are likely and the impact these will have on other County operations.	Complete	The internal services departments met together as a group during the 2011 and 2012 budget processes in order to ensure that all considered changes and their impacts were discussed and planned. The examination of potential shortfalls in service will continue. Although the internal services departments operate independently, their core missions to support the organization are consistent. Synergies among these departments will continue to be explored and implemented in the future to align operations, proposed improvements, and efficiencies across all support functions.	No budget impacts at this time.
	Status Quo	We urge that the County consider continuing with technological improvements that have been delayed, since the improvements would allow some Internal Service areas to accomplish more with their existing staff. This would be particularly helpful for Finance and HR.	Complete	Technology and innovation remain critical as the building blocks for efficiencies and coordinated efforts in 2010 and beyond. A technology plan has been implemented and improvements to the County’s Enterprise Resource Planning (ERP) are currently being programmed. A couple of achievements since 2010 include, but are not limited to, the property tax calculator and a utility bill interface. Both of these projects have been recognized with an achievement award from the National Association of Counties.	No budget impacts at this time.

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	Status Quo	We recommend that the Internal Services departments identify appropriate localities and organizations to use for benchmarking purposes. Comparisons with these peer localities and organizations should be an ongoing and formalized process. While we acknowledge that such comparisons are difficult and imperfect, we believe that it is important to demonstrate how Internal Services areas in Gwinnett County government compare with their counterparts across the country.	In Progress	<p>This recommendation was approved as a Georgia State University Capstone project and completed by three MPA/MPP students on May 14, 2012. The study analyzed the following areas: Financial Services, Human Resources, and Information Technology. The final findings reported that, overall, the Financial Services and Information Technology Services departments appear to be doing well in comparison to the benchmark jurisdictions. The Human Resources Department performs more HR functions relative to Cobb County, Georgia, and Mecklenburg County, North Carolina, with a comparatively smaller operating budget per full-time equivalent.</p> <p>The Law Department has completed the benchmarking item listed and presented comparisons to the County Administrator. The comparisons demonstrate that the Law Department measures favorably.</p> <p>Department of Support Services staff continues to concur with the recommendation and the ability to gain information from peer organizations for both benchmarking and best practice identification. However, resources to complete the analysis and comparisons for this department are not available at this time.</p>	No budget impacts at this time.

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	Status Quo	As part of this benchmarking effort, we urge the Internal Services departments to identify and evaluate the best practices of other progressive Internal Services departments, including how these departments are addressing cuts in funding.	In Progress	<p>This recommendation was approved as a Georgia State University Capstone project and completed by three MPA/MPP students on May 14, 2012. The study analyzed the following areas: Financial Services, Human Resources, and Information Technology. The final findings reported that, overall, the Financial Services and Information Technology Services departments appear to be doing well in comparison to the benchmark jurisdictions. The Human Resources Department performs more HR functions relative to Cobb County, Georgia, and Mecklenburg County, North Carolina, with a comparatively smaller operating budget per full-time equivalent.</p> <p>The Law Department has completed the benchmarking item listed and presented comparisons to the County Administrator. The comparisons demonstrate that the department measures favorably.</p> <p>Department of Support Services staff continues to concur with the recommendation and the ability to gain information from peer organizations for both benchmarking and best practice identification. However, resources to complete the analysis and comparisons for this department are not available at this time.</p> <p>Several innovative accomplishments have been achieved by our support departments since 2010. These include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Fleet GM contract to provide warranty repair</li> <li>• Volunteer Gwinnett program</li> <li>• Negotiation with insurers</li> <li>• Update to existing Department of Financial Services policy and procedures</li> <li>• Department of Financial Services policy and procedure documentation</li> <li>• County website redesign</li> <li>• Property tax calculator – <i>Where Your Property Taxes Go</i></li> <li>• LEAN program</li> </ul>	Fleet entered into a contract with GM to provide warranty repair, which reduced fleet maintenance costs by \$100,000 per year. The <i>Volunteer Gwinnett</i> program launched officially in February 2012 with a goal of one million volunteer hours by 2015. Volunteers contributed 470,850 hours in 2011. Finally, negotiations with insurers cut health insurance costs by \$5.2 million.

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Tax Assessors	Status Quo	<p>We are alarmed by the level of risk associated with production of the County’s tax digest under current economic and regulatory conditions, especially when coupled with the shifting of some appraisal functions to external firms. To allay potential problems, we recommend that the County assign additional staff with needed background and experience to manage the contractual relationships and to perform quality control for the entire appraisal process. This should be done even if it can only be accomplished by hiring additional experienced staff or contracting for quality-control services.</p>	Complete	<p>Gwinnett County was the first county in Georgia to get its digest approved in 2010. The finalization of the state Department of Audits’ sales ratio study results for 2010 put Gwinnett at 39.35 percent, well within the 36 – 44 percent range. For 2010, our appraisal staff reviewed all valid sales and made adjustments to properties where needed. Value changes were made on more than 140,000 properties and corresponding assessment notices were sent. All 9,915 appeals filed have been resolved.</p> <p>For 2011, our appraisal staff reviewed all valid sales and made adjustments to properties where necessary. Value changes were made on more than 100,000 properties. Assessment notices were issued to all 172,000 taxable properties in the County. By the time of this report, all but seven of the 31,798 appeals that were filed had been resolved. The Department of Audits’ sales ratio study results for 2011 at 40.66 percent put Gwinnett’s tax digest in the middle of the acceptable range for an extensive tri-annual review by the Department of Revenue. There is no indication to expect a deficiency finding in any area of this study.</p> <p>We met the new requirements imposed by SB 346 in 2011 by launching a communication strategy to educate tax representatives and the public on how the process changed; using technology to enable filing of returns electronically; developing a highly efficient appeal scanning process to increase throughput to the appraisal staff; and gaining assistance from contractors to provide flexibility in staffing needs to process the expected increase in appeal filings. More than 32,000 appeals were received – a 200 percent increase from the prior year. The efficiencies gained in document processing combined with the diligence of staff and contractors allowed the digest to be submitted and approved and tax bills to be issued as scheduled. As a result, the appeal process was completed within just a few weeks of the previous year’s completion date of January 1.</p> <p>Further enhancements in technology and streamlining of processes are in place for the 2012 tax year. Staff and contractors are now more experienced in the throughput of a high number of appeals. Approximately 26,000 appeals have been received for 2012. We are expecting to finalize most of these appeals before January 15, 2013, well before the 2013 notice of assessment process is scheduled to get underway. The 2012 tax billing dates are also on track to regain 30 days of the 60-day delay in the 2011 tax billing caused by SB 346.</p>	No budget impacts at this time.

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Tax Assessors	Status Quo	We recommend that the County carefully monitor the volume of appeals and other activities associated with the production of the tax digest and be prepared to provide additional resources to the Tax Assessors Office in the form of temporary staff or contractual services should these be necessary.	Complete	The Tax Assessor’s Office has handled their increased workload through contracted services. This approach will continue into 2011 and 2012, with expanded contracts to manage a greater amount of activity and the requirements attributable to new legislation.	No budget impacts at this time.
Tax Assessors	Status Quo	We recommend that the Board of Tax Assessors assume a leadership role in determining the resources needed by the Tax Assessors Office and seeking these from the County.	Complete	After being briefed, the Board of Assessors officially approved and adopted the Office of the Tax Assessors’ business plan for 2011 and 2012, which includes all the enhancements being implemented.	No budget impacts at this time.
	Declining Tax Digest	Establish minimum levels that must be maintained for certain services, without which fundamental operations cannot continue. For example, the County must produce payroll checks and meet payroll reporting requirements set by the federal and state governments.	Complete	Reductions were made to the internal services departments in 2008, 2009, and 2010. We have kept these reductions through 2012 and plan to continue them going forward. However, additional reductions in these areas will handicap these departments from being able to provide core services. Synergies among these departments will continue to be explored and implemented in the future to align resources where the greatest need exists.	No budget impacts at this time.
	Declining Tax Digest	Involve the other departments, which are customers of the Internal Service areas, in determining internal services that can be eliminated or reduced. This may involve a poll or roundtable discussions to identify the services that each County department is willing to give up.	In Progress	Roundtable discussions are under consideration. Although this type of communication occurred during the formulation of the 2011 and 2012 budget processes and resulted in some adjustments, it has not been completed for existing service levels.	No budget impacts at this time.
	Declining Tax Digest	Analyze fully any proposed changes for the potential risk associated with the change, as well as the possibility of unintended consequences that may negate or offset the savings projected to be generated by the change.	Complete	During the business planning and budget preparation process, the internal services departments met as a group to go over all of the requests for service enhancements and reductions. A comprehensive return on investment analysis was conducted of the impact any changes would have on the organization. This type of collaboration and analysis will continue moving forward.	No budget impacts at this time.

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	Declining Tax Digest	Work through this process and develop the plan for reductions in advance so that implementation is not delayed should reductions be necessary.	Complete	<p>Gwinnett County’s 2011 adopted budget anticipated a nearly \$38 million use of fund balance, but the budget was balanced within the first 90 days of 2011. Additionally, the County ended the year “better than budget.” With general fund revenues performing at nearly 105 percent of budget and expenditures reporting at 99 percent, the contribution to the general fund balance exceeded expectations. Higher than anticipated revenues were a result of the property tax collection rate reaching its highest level in more than five years (approximately 95.1 percent within the year of tax billing) and the property tax digest declining less than initially expected. According to the audit and the Comprehensive Annual Financial Report (CAFR) for 2011, the contribution to fund balance will be approximately \$23.9 million, bringing the general fund balance to approximately \$172 million, equal to a five-month reserve.</p> <p>The 2012 budget that was adopted on January 3, 2012 is the first budget in more than 10 years that was adopted without a planned use of fund balance within the general fund. Commissioners adopted a balanced budget for 2012 that resulted from the collaborative efforts of many people working together to find opportunities to hold the line or reduce spending and evaluate opportunities for increasing revenues. Participants included Commission Chairman Charlotte Nash, who led this process, and the Chairman’s citizens review team members, representatives from various departments and agencies, and finance department staff.</p> <p>Goals for the 2012 budget were to fund priority core services, balance the budget without a tax increase, and complete a comprehensive five-year financial review. In order to meet those goals, the 2012 budget process included a modified zero-based budget method that required all departments and agencies to justify their requests for funding. Highlights from the 2012 budget include a \$4.4 million increase in the insurance premium tax distribution from the state of Georgia, no new positions, no employee pay raises, and a continuation of the 90-day job vacancy program. The 2012 budget assumes an approximate eight percent decline in the property tax digest. Property taxes provide more than one-third, or 34 percent, of the total revenue for all operating funds and more than two-thirds, or 67 percent, of the general fund revenue.</p>	No budget impacts at this time.